

Belvedere: October 28, 2004
Jerry Butler

Corte Madera: **TO:** Transportation Authority of Marin Commissioners
Melissa Gill

Fairfax: **RE:** Final Guidelines for Local Transportation For Livable Communities and
Lew Tremaine Local Housing Incentive Capital Program – Item 7

Larkspur: Dear Commissioners:
Joan Lundstrom

Mill Valley: Over the past several months, the Transportation Planning and Land Use
Dick Swanson Solutions Advisory Committee (TPLUS Advisory Committee), an advisory committee to TAM staff, met several times to discuss program goals, program guidelines, grant size, and grant award procedures for a new local Housing Incentive Program, and a new local Transportation for Livable Communities Program. Both programs are modeled after regional MTC programs of the same name. TAM will administer these county programs in coordination with MTC.

Novato:
Pat Eklund

Ross:
Tom Byrnes

San Anselmo: It is important to keep in mind that both programs will be pilots and will be
Peter Breen evaluated over time by TAM. Adjustments can be made in the future to reflect experience and lessons learned throughout each Call For Projects process.

San Rafael: Draft guidelines were presented to the TAM Board in September for
Al Boro consideration. These guidelines were discussed and concerns were raised as described in Attachment 1 of this packet, “Summary of Board Questions and Responses.” Based on the concerns raised at the previous Board meeting, a follow-up TPLUS Advisory Committee was held to consider Board questions and comments. Based on Board comments and feedback from the Advisory Committee, a strategy for phase one of the local TLC and HIP programs was developed.

Sausalito:
Amy Belser

Tiburon:
Alice Fredericks

County of Marin:
Susan Adams
Hal Brown
Steve Kinsey
Cynthia Murray
Annette Rose

Response to Concerns

Based on Board feedback and feedback from the Advisory Committee, the following strategy was developed:

- ⇒ **Keep both the Local HIP and TLC Program** – There was strong interest in keeping both programs. The program proposed at the last TAM Board meeting is still the preferred program for the TPLUS Advisory Committee.
- ⇒ **Maintain the priority for the local Housing Incentive Program** – The Advisory Committee recommends keeping a priority for the local HIP program provided there is an annual review of the program. There is agreement the program should be reviewed and, if necessary, adjusted as needed to reflect local conditions.

- ⇒ **Grant Size** – While smaller grant sizes are still cause for concern, TPLUS Advisory Committee members maintain the \$150,000 - \$500,000 range is preferred.
- ⇒ **Process** – This is a pilot program for a 3-year period. The first 3-year open call for projects for Local HIP Capital Grants will be accompanied by a one-time call for projects at the end of the three-year cycle for TLC Capital projects if funds are remaining. **For this pilot program cycle only**, a special TLC Capital call for projects will be opened at the beginning of the second year. This call will allow one year of funding (in addition to the three years of HIP funds) to be awarded to TLC Capital Grants prior to the close of the HIP call for projects. Throughout, annual program monitoring may result in changes to the process in order to ensure it works best for Marin. This will allow project stakeholders to observe how the local HIP program functions, as well as award some funding to projects through the TLC Capital program. Once a track record is established, it is not recommended to continue this practice.

Recommendation

Staff recommends that TAM review, discuss, and adopt the final Local HIP and Local TLC Capital Grant program Guidelines.

Respectfully Submitted,

Craig Tackabery
Executive Director

Attachment:

1. Response to comments at 9/23/04 TAM meeting
2. Final Local HIP and Local TLC Capital Grant Program Guidelines

ARUP

Attachment 1 Response to Comments at 9/23/04 TAM Meeting

TAM Commissioner Comments on the local HIP and TLC Programs

- Question: What are the trade offs between offering a TLC program, a HIP program, or both?

Response: By offering both programs, Marin TAM can offer incentives to local jurisdictions creating housing and still offer a grant program to fund neighborhood transportation projects that support a community's development and redevelopment goals. It was the preference of the TPLUS Advisory Committee to offer both programs with an emphasis on the Housing Incentive Program.

- Question: Do we have to wait three years before we do a TLC Capital Call?

Response: No. This is a pilot program. It is recommended that TAM review the program annually and determine if adjustment is needed. If it is decided in subsequent years that the program needs to change, TAM can offer a local TLC Capital call when appropriate. It has not been tested in Marin County, so it is hard to say what will happen until the program is tried.

- Question: When funding decisions are made, who makes the final decision?

Response: TAM staff will review applications and make an eligibility determination for the housing project to claim funds and for the expected transportation investment. This would mean that a housing project meets the eligibility criteria and the funds will be reserved for a transportation investment. Once the housing breaks ground, the local jurisdiction can claim the funds to construct a transportation project. When a funding award is made, it is recommended that TAM staff bring the list of funding awards to the TAM Board for final approval.

- Comment: It doesn't seem that smaller cities can participate.

Response: HIP is necessarily focused on downtown areas and transit corridors. Smaller cities are unlikely to participate in the HIP portion of the program given historic development trends, current housing elements, and transit frequencies in smaller cities. Smaller cities can compete if they are creating transit-focused housing at the appropriate density levels where transit service frequencies are meeting the eligibility criteria. Smaller cities are more likely to participate in the TLC Capital program. Further, it is important to keep in mind that there is still the regional program so the local and regional programs can work in tandem. A local city can apply in both programs.

- Related Question: Can one project get funding from both regional and local HIP or TLC programs?

Response: Yes. The transportation project must be segmented so that each element is fully funded by either the regional or the local program. Neither the regional nor the local program will partially fund projects. Part of the criteria is that projects are fully funded upon award.

- Question: How did you develop the participation table?

- Related Question: What if a project or projects are not shown on your list?

Response: The participation chart was based on both historic trends and what is possible based on the

general plan elements currently in place. Provided in the draft Guidelines memo on pages 11 and 12 presented at the September 23 meeting, a listing of projects that meet the criteria of HIP and their possible award (based on HIP guidelines) were listed. These tables were intended to provide a sense of which cities may participate and what funding they may receive. The list was not intended to be exhaustive nor was the list the final universe of projects that may participate in the program.

- Question: Should TAM allow for a smaller award size?

Related Comment: Since MTC has a minimum grant size; it is harder for smaller cities to participate in the regional programs.

Related Comment: We are not talking about large amounts of funding. The more we can pool funds for greater impact and for greater concentration, the better off we are. I want to avoid a sprinkling of funds here and there and focus on elements with a bigger impact.

Response: The smaller award size allows for more cities to participate in the county program. It also allows cities to participate that cannot participate in the regional program. At the same time, it is important to be mindful of the administrative burdens associated with using Federal funds. This is a compromise for TAM and for the AC members. The program offers something smaller for the county but still has a minimum size to ensure the city receiving the grant doesn't spend more on the grant administration than the actual award amount.

- Comment: Could TAM do a TLC Capital Call For Projects after one year?

Response: Yes. If after one or two years no eligible projects have come in, TAM could choose to conduct a TLC Capital Call For Projects. It is a pilot program and some flexibility is helpful.

- Comment: We should evaluate the program after one year and, if necessary, conduct a TLC Capital Call For Projects.
- Related Comment: There are not too many cities in Marin pushing housing projects at 20 units to the acre with the number of bedrooms required for a minimum grant. It is likely there will be a local TLC Capital Call For Projects.

Public Comments on the local TLC and HIP Program

- Some cities that have good transportation projects will not be able to get funding through this program. It would be better to have a TLC Capital Call For Projects come first or do them together.

Response: The TPLUS AC wanted to place an emphasis on housing and provide incentives to cities providing for transit focused housing. These are transportation funds being spent on transportation projects. It is just a question of which level to use to access them. Thus, we are recommending an approach that starts with housing and moves to the capital program later.

- There are pressing transportation needs in the county and this program takes resources away from needed projects throughout the county.

Response: The program is designed to respond to pressing transportation needs in the county. Some believe that placing housing in close proximity to transit responds to another pressing transportation need in the county by making transit a realistic choice for more people.

- There are no criteria or guidelines to ensure these funds are spent on good transportation projects.

Response: there is a whole range of eligibility criteria as a part of the program. Funds must be spent on bicycle, pedestrian and transit related projects. The eligibility criteria were not discussed today in the interests of keeping the presentation concise.

- Smaller cities are not able to participate in the program

Response: The local HIP program is necessarily focused on the urban and built out areas of the county.

MARIN LOCAL HIP CAPITAL & TLC CAPITAL GUIDELINES

The Transportation Authority of Marin (TAM) administers the county-level Local Transportation for Livable Communities (TLC)/Housing Incentive Program (HIP) Transportation Capital Program, which is based on the regional MTC Transportation for Livable Communities (TLC) program. It is important to keep in mind that this program is a pilot program and should be evaluated over time. Adjustments may be made in the future to reflect experience and lessons learned at the close of each Call For Projects process.

Regional Transportation for Livable Communities Program Background

The Metropolitan Transportation Commission (MTC) is the regional planning, funding, and coordinating agency for the nine Bay Area Counties. MTC is responsible for drafting the Regional Transportation Plan, which is a long-range planning and funding document addressing the region's critical transportation needs. MTC also operates a number of regional customer service programs such as 511.org, Freeway Service Patrol, the Call Box Program, and numerous other transportation-related activities. The Transportation Authority of Marin (TAM) works closely with MTC in developing and funding the transportation network in Marin County. Through its ability to influence funding policies and programs, MTC created the Transportation For Livable Communities (TLC) program.

There is a growing interest in the integration of transportation and land use planning activities. This interest stems from recognition that transportation and land use are interwoven and that each exerts a strong influence on the other. Land use is one of the strongest determinants as to how people will choose to travel. Different land use forms require different transportation systems. Compact land use forms with a diversity of land use types are often complemented by a fine-grained transportation network that allows walking, bicycling and transit use. Lower density land use forms with separation of uses and more homogenous land use types are often complemented by an auto-oriented transportation system where it is easy to drive but not so easy to walk, ride transit, or ride a bicycle.

The purpose of the regional TLC program is to support community-based transportation projects that bring new vibrancy to downtown areas, commercial cores, neighborhoods, and transit corridors, enhancing their amenities and ambience and making them places where people want to live, work, and visit. The TLC program provides a competitive source of additional federal funding for qualified housing and transportation projects.

The regional program was initially funded with an annual budget of \$9 million, and funding was competitively awarded to projects with a regional impact. With the 2001 Regional Transportation Plan, the TLC program was expanded to an annual budget of \$27 million, with \$18 million for the regional program and \$9 million designated for new county-level TLC programs, allocated by county population. In Marin, this program is part of the Transportation Planning and Land Use Solutions (TPLUS) and will be administered by TAM, and has an annual allocation of \$323,467 based on current population data.

Marin County Context

Marin County is heavily auto-dependent, and traffic congestion will only get worse if similar travel trends continue. Congestion can be attributed to several factors:

- 1) County residents are making more automobile trips than ever. The number of daily trips being made by residents is outpacing growth in households and employment. In the past decade, for example, trip growth was three times greater than household growth.
- 2) Most people in Marin drive alone. During the commute periods, about 65 to 75% of Marin commuters travel alone in their automobile. About 55% of all trips made by residents throughout the day are drive-alone trips.
- 3) Though over half of the commute trips by residents are within Marin, many residents still commute out of the county to work – between 45 and 50%, compared to a 25% regional average. However, resident commute trips are becoming increasingly local as Marin grows as a job center.
- 4) U.S. 101 serves both local and regional traffic, including commute trips from Sonoma County to and through Marin to other counties. However, regional through traffic during commute periods, which accounts for only about 20% of the traffic on U.S. 101 during commute periods, is less of a problem than previous years as Marin and Sonoma become job centers. (In fact, there is a growing reverse commute as Telecom Valley in Sonoma grows.)
- 5) Median housing prices are high, approximately \$750,000, reducing the availability of housing affordable to teachers, policemen, firefighters, and service employees, who thus have to commute from neighboring counties to their jobs in Marin.

Renewed investment in downtowns and urbanized areas near transit stations, with an emphasis on increasing travel mode choices, is already happening throughout Marin County. This will help reduce the number of potential automobile trips. Like the regional TLC program, the Marin Local TLC/HIP Capital Grant program provides an incentive to encourage community-based transportation projects, but with a more local focus.

County-level programs must support the spirit and goals of the regional program, but may be refined to reflect local conditions, interests, needs, and priorities. The Transportation Authority of Marin (TAM) conducted a review process involving the Marin County TPLUS Advisory Committee, which consisted of representatives from local jurisdictions, community groups, and consulting staff, to adjust the Local TLC/HIP Capital program to reflect local priorities. The outcome of the advisory process is a greater emphasis on the provision of housing, particularly affordable housing, safe routes and access to schools, and environmentally sustainable projects.

Marin Local TLC/HIP Capital Program Purpose and Components

The purpose of Marin's Local TLC/HIP Capital Program is to provide local support for small-scale, community-based transportation projects, create sustainable transportation projects that encourage the use of alternative modes, and protect the environment. The Local TLC/HIP Capital Program will offer a Local Housing Incentive Program Transportation Capital and a Local TLC Capital Program.

Local TLC/HIP Program Goals

The goals of Local TLC/HIP are to support community-based transportation projects that:

- Are developed through a collaborative and inclusive planning process that includes broad partnerships among a variety of stakeholders such as public agencies, community-based organizations and community stakeholders, and outreach to a diversity of participants.
- Improve a range of transportation choices by adding or improving pedestrian, transit, and/or bicycle facilities, and by improving the links between these facilities and activity nodes.

- Support well-designed, high-density workforce housing and mixed use developments that are well served by transit, or will help build the capacity for future transit investment and use.
- Support affordable housing developments by offering a bonus award.
- Support a community's infill or transit-oriented development and neighborhood revitalization activities.
- Improve the safety of routes and access to schools.
- Are environmentally sustainable.
- Enhance a community's sense of place and quality of life.

Funding Amount and Grant Size

MTC allocates funds on an annual basis by population. Based on current population data, Marin County will receive \$323,467 annually to allocate to either a TLC style capital grant program, a Housing Incentive Program, or to both. A local version of TLC Capital and the Housing Incentive Program (HIP) are currently a part of the Marin TPLUS initiative. The programs must be modeled after the regional TLC program and consistent with regional program guidelines.

Considering Marin County's relatively small award, it makes sense to pool funds to create a larger cycle. Given that Marin is allocated \$323,467 on an annual basis, a three-year funding cycle is recommended.

Recommended Grant Size

For this pilot program, it is recommended that TAM provide grants in size ranging from \$150,000 - \$500,000¹. Further, it is recommended that TAM review this policy after each of the first three cycles and make adjustments as needed. For the first cycle, TAM should also allow for a maximum award of \$500,000 per cycle to ensure that more than one city, if eligible, can participate in the program.

Recommended Process for Awarding Funds

TAM is interested in offering the two programs listed above and described further in this memo. Analysis revealed that local jurisdictions could only participate in HIP in a limited fashion due to the size and density of most housing developments in Marin and the typical number of bedrooms in these developments. Nonetheless, the TPLUS Advisory Committee and TAM would like to prioritize Local HIP Transportation Capital Projects and assist in the creation of transit focused housing in the county. This is a pilot program for a 3-year period. The first 3-year open call for projects for Local HIP Capital Grants will be accompanied by a one-time call for projects at the end of the three-year cycle for TLC Capital projects if funds are remaining. **For this pilot program cycle only**, a special TLC Capital call for projects will be opened at the beginning of the second year. This call will allow one year of funding (in addition to the three years of HIP funds) to be awarded to TLC Capital Grants prior to the close of the

¹ TAM currently limits how Federal funds are used, and only projects with budgets of \$500,000 or more are able to claim Federal funds. This requirement is due to the administrative burdens associated with using Federal funds. As outlined further in this memo, \$500,000 is exceptionally high for most Marin projects that may qualify in these programs, and, therefore, a lower amount is recommended. Historically, the minimum grant size available through MTC via the TLC program was \$150,000 (MTC minimum is now \$500,000).

HIP call for projects. Throughout, annual program monitoring may result in changes to the process in order to ensure it works best for Marin. This will allow project stakeholders to observe how the local HIP program functions, as well as award some funding to projects through the TLC Capital program. This is a compromise position. Once a track record is established, it is not recommended to continue this practice.

Phase I – Open a Local HIP Transportation Capital Call For Projects

At the beginning of each three-year period, a HIP “Call For Projects” will be initiated. Applications for HIP are accepted on a continual basis. TAM staff administratively evaluates the eligibility of Local HIP Transportation Capital applications (see Local HIP Transportation Capital Program Evaluation Process below), and awards grants to qualifying applicants on a first come, first qualified basis. Federal guidelines require an 11.47% local match for these grants. TAM will require the same local match. **The local match must be a cash contribution to the project from a non-Federal transportation funding source. Local sales taxes, fees, state transportation funds, or other fund sources can be used as a match. In-kind contributions do not qualify for the local match.** As funds are awarded, the TAM board is notified and approves the award.

Phase II – Open a Local TLC Capital Call For Projects

At the beginning of the second year, a special TLC Capital Program “Call For Projects” will be initiated for one-year’s worth of project funding. In addition, if funds remain towards the end of a three-year cycle, TAM then issues an additional Local TLC Capital Program “Call For Projects”. TAM staff accepts applications submitted by the specified deadline, then evaluates and competitively ranks applications, and makes recommendations to the TAM Board. The TAM Board awards grants to the most highly qualified projects (see Local TLC Capital Program Evaluation Process below). Federal guidelines require an 11.47% local match for these grants. TAM will require the same local match.

Ongoing Evaluation

The Local HIP Capital and Local TLC Capital grant programs are a new effort for Marin and are a relatively new approach to transportation funding in general. Given this is a pilot program, it will be important to evaluate program process over the first two cycles. It is recommended that the program be evaluated annually, and, if necessary, adjusted to respond to the local conditions.

Ongoing Outreach

It is recommended that TAM host county workshops each year that coincide with the regional TLC / HIP Call For Projects. At these workshops, TAM can inform local jurisdictions about both local and regional funding opportunities. Further, once the TOD/PeD guidelines are developed, these workshops can also be informal trainings for how to apply these guidelines. TAM or consulting team staff should be available to provide technical assistance to local agencies on an as needed basis.

Local Housing Incentive Program (HIP) for Transportation Capital Projects

Description

Local HIP Transportation Capital funds reward local governments giving planning and zoning approvals, and building permits to high-density housing, particularly affordable housing, and mixed-use developments at or near transit stops. The key objectives of the Local HIP program are to increase the housing supply in areas of the region with existing infrastructure and services in place, including transit, retail, jobs and cultural activities; locate new housing where non-automotive transportation options such as walking, bicycling, and taking transit are viable transportation choices; and establish the residential density and ridership markets necessary to support high-quality transit service.

Local governments apply for and spend Local HIP grants on transportation improvements. To receive a grant, the local jurisdiction must demonstrate transit focused housing is being created in compliance with

guidelines below. The local jurisdiction uses the grant on a transportation capital improvement consistent with program guidelines. Local government agencies are required to spend Local HIP funds on either a Local TLC capital project that either serves the new housing development or a Local TLC capital project that is consistent with program guidelines but falls elsewhere in the local area. Local jurisdictions are offered the flexibility of determining where to spend the grant funds for two reasons: 1) flexible use of funds increases the attractiveness of the grant; and, 2) some areas where housing is being built may not need a transportation enhancement therefore freeing the local jurisdiction to meet a need in another area of the city or county. Typical capital projects include pedestrian and bicycle facilities that connect the Housing development to adjacent land uses and transit; improved sidewalks and crosswalk linking the housing to a nearby community facility such as a school or a public park; or streetscape improvements that support increased pedestrian, bicycle, and transit activities and safety.

Who Can Apply?

Local government agencies are eligible recipients of the federal funds. Nonprofit or market-rate housing developers may partner with a local government agency to plan and build the housing, but cannot receive the funds.

Calculating the Local HIP Capital Award

Grant amounts are based on the density of the Housing development and the number of bedrooms, with additional bonus funding per bedroom in an affordable unit.

The density thresholds and award amounts are:

- 20 units per net acre: \$1,500 per bedroom
- 30 units per net acre: \$2,000 per bedroom
- 40 units per net acre: \$2,500 per bedroom
- 60 units per net acre: \$3,000 per bedroom

For all affordable units as defined by HUD, additional bonus funding per bedroom will be awarded, based on the following sliding scale:

- \$800 per lower income unit bedroom (targeted at a household earning 51 to 80 percent of area median income)
- \$1,200 per very low income unit bedroom (targeted at a household earning 31 to 50 percent of area median income)
- \$1,600 per extremely low income unit bedroom (targeted at a household earning 0 to 30 percent of area median income).

Because federal funding requirements can be daunting, TAM recommends a minimum grant amount of \$150,000 to make the effort worthwhile. A local match of 11.47 percent of the total Local HIP Capital project cost is required. Grant recipients will be required to take the capital project through the federal-aid process with Caltrans Local Assistance, and obligate, or commit, the federal funds by the obligation deadline specified by TAM. In addition, grant recipients will be required to attend or provide evidence of having previously attended a training workshop offered by Caltrans on the Federal aid process. This is a requirement from MTC.

Parking ratios may be considered in making grant award decisions. If more applications are received than funds available, TAM staff may use housing affordability and parking ratios as a factor in determining which project receives the final award(s). Affordable projects have priority over market rate projects.

Projects that have lower parking ratios will be favored over projects with higher parking ratios in the event the program is over subscribed.

Qualifying for the Award

This table illustrates the minimum project size (in bedrooms) based on density of the Housing development and bedroom type (as related to household income). In order to qualify for funding, the following table illustrates the required minimum.

| For a \$150,000 Grant | | Then the total project would need to have: | | | |
|-----------------------|-------------------|--|----------------------------|-------------------------------|------------------------------------|
| Units Per Acre | Award Per Bedroom | Market Rate Bedrooms | Lower Income Unit Bedrooms | Very Low Income Unit Bedrooms | Extremely Low Income Unit Bedrooms |
| | | | \$800 bonus | \$1,200 bonus | \$1,600 bonus |
| 20 | \$1,500 | 100 | 65 | 56 | 48 |
| 30 | \$2,000 | 75 | 54 | 47 | 42 |
| 40 | \$2,500 | 60 | 45 | 41 | 37 |
| 60 | \$3,000 | 50 | 39 | 36 | 33 |

| For a \$500,000 Grant | | Then the total project would need to have: | | | |
|-----------------------|-------------------|--|----------------------------|-------------------------------|------------------------------------|
| Units Per Acre | Award Per Bedroom | Market Rate Bedrooms | Lower Income Unit Bedrooms | Very Low Income Unit Bedrooms | Extremely Low Income Unit Bedrooms |
| | | | \$800 bonus | \$1,200 bonus | \$1,600 bonus |
| 20 | \$1,500 | 333 | 217 | 185 | 161 |
| 30 | \$2,000 | 250 | 179 | 156 | 139 |
| 40 | \$2,500 | 200 | 152 | 135 | 122 |
| 60 | \$3,000 | 167 | 132 | 119 | 109 |

Eligible Transportation Capital Projects

Eligible transportation capital projects must be located within a public right-of-way or other publicly held land with public access, such as a transit center. Project activities eligible for funding include bicycle and pedestrian paths and bridges; on-street bike lanes; pedestrian plazas; pedestrian street crossings; streetscape enhancements such as median landscaping and pedestrian refuges, street trees, lighting, and furniture; traffic calming design features such as pedestrian bulb-outs and transit bulbs; and transit stop amenities. While these discrete activities are eligible for funding, TAM is looking for a capital project that is well designed, uses a variety of different design features, and results in numerous community benefits. For detail on eligibility criteria, see description on pages to follow.

Local HIP Transportation Capital Evaluation Process

TAM will conduct an eligibility evaluation of all Local HIP Capital projects based on three types of criteria:

Part 1: Qualifying Housing Development – Project Readiness Criteria

These criteria will be used to evaluate whether a qualifying Housing development will be able to meet the groundbreaking deadline and the capital transportation project to be funded by Local HIP funds will be able to meet the fund obligation deadline. The transportation capital project must be ready to begin the preliminary engineering, environmental review and clearance, right-of-way, and construction phases, and to secure a federal authorization to proceed with construction by the local obligation deadlines set by TAM.

1. The project should provide the planning status of the Housing development. A detailed description (including a site plan, building/unit plans, and elevations to the extent they have been developed, as well as photos of the project site, its immediate surroundings, and path of travel to the transit stop) and timeline of the project approval process for the Housing development are needed, as well as the timeline when building permits are expected to be issued, and when housing construction will begin.
2. To be considered for funding, a Housing development should be in the zoning and entitlement process but the development should not have received either a zoning permit or building permit. The HIP incentive is targeted to decision-makers making choices about development size and density during the entitlement process. The incentive is intended to encourage local jurisdictions to keep housing developments near transit at higher densities with more bedrooms. If a project has either of these, it is considered too far along in the process (the decisions have been made) and is not eligible to receive the grant. The transportation infrastructure improvement to serve the Housing development should be clearly identified as part of this planning process. If the existing transportation infrastructure linking the Housing development to the transit stop is deficient, the local government agency is encouraged to spend HIP funds on constructing the necessary infrastructure improvements.
3. The Housing development should provide the financing status: the sponsor needs to secure all financing required in order to make the project financially viable. If not, the sponsor needs to explain the project financing strategy. Is the project applying for 9% tax credits? If the project does not receive an allocation in its next attempt, how will the sponsor proceed? Is the project applying for HUD financing either through the 202 or 811 program? If the project does not receive a HUD award in its next attempt, how will the sponsor proceed? Is the project applying for funding from the local jurisdiction(s) (such as redevelopment, in lieu or HOME funds)? What is the status of the request for local funding? Overall, will the project be ready to close all financing (and therefore start construction) within 24 months?
4. What is the capital project to be funded by the HIP funds? The local government agency may determine where Local HIP funds should be spent in the jurisdiction. The project funded through HIP must be consistent with Local TLC goals and be approved by TAM for funding eligibility. In addition, adequate connectivity between the Housing development and a transit stop with service that meets the eligibility requirements, provided by existing or proposed facilities, must be demonstrated. A detailed description of the capital project, including project scope, budget, and implementation schedule is needed as well as maps and photos of the project area where improvements will be built.

Part 2: Qualifying Housing Development – Eligibility Screening

The Housing development is used to qualify for a grant to fund a capital transportation improvement. The following eligibility criteria for the housing development must be met:

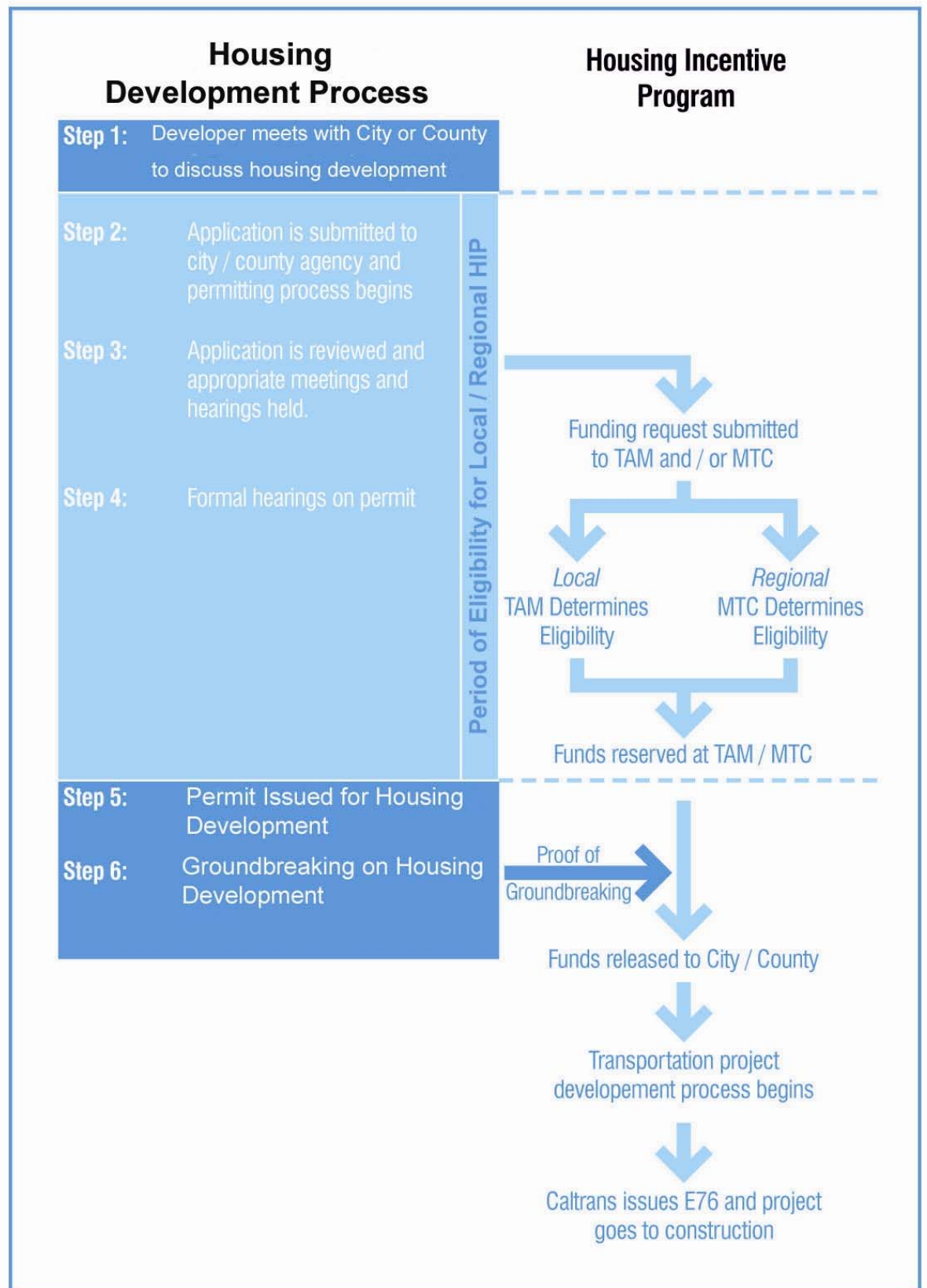
1. Walking Distance from Housing to Transit Stop—Housing developments must be within one third of a mile from the center of the housing development site to the transit stop via the shortest walking path leading to the transit stop. Housing developments that are within one half of a mile from a rail transit station or ferry terminal are also eligible.
2. Pedestrian Path of Travel—A pedestrian path of travel from the center of the project to the transit stop must be provided and demonstrated on a scaled for distance map. The path must comply with the American with Disabilities Act.
3. Transit Headways—Housing development must be served by transit service (bus, ferry and/or rail transit²) with 15-minute headways or less during the peak commute hours of 7-9 am and 4-6 pm. Documentation evidencing the transit peak headway service provided must be submitted. TAM allows two exceptions to this criterion:
 - a. Alternatively, if a Housing development is located in a community's designated downtown or central business district, the Housing development is eligible for funding consideration if the transit serving the downtown provides 30-minute headways or less during the peak commute period. Project sponsor must submit a scaled for distance land use map or zoning map illustrating the location of the downtown/central business district, with the location of the Housing development noted.
 - b. If a Housing development is located within a one-half mile radius of a regional transit corridor, station, or stop, as identified currently by MTC Resolution 3434³, the Housing development is eligible for funding consideration if it is served by transit service with 30-minute headways or less during the peak period. On a case-by-case basis, TAM will consider longer peak headways if the project sponsor demonstrates the transit operator's plans to upgrade the service to 30-minute peak headways in the near term. Project sponsor must submit a land use map illustrating the location of the Resolution 3434 existing or approved station/stop, with the location of the housing noted and the pedestrian path of travel from the housing to the station/stop.
4. Housing Density—Housing development must meet a minimum density standard of 20 units per acre. Density per acre is determined by evaluation of the net area per acre available to develop. In addition, project sponsor must document the current zoning, and explain whether the Housing development meets or exceeds current zoning.⁴ The total developable acreage should not include land unsuitable for development such as wetlands, steep grade/hillside, toxic lands, etc. Consultation with TAM and local planning staff may be required to determine the appropriate approach to making this calculation.

² On a case-by-case basis, TAM will consider these criteria to be met if multiple transit routes or lines combine to provide effective 15-minute headways to and from major activity nodes.

³ MTC's Resolution 3434 consists of nine rail extensions throughout the Bay Area, a new regional express bus program, and significant service enhancements to eight existing rail and bus corridors as identified in the 2001 Regional Transportation Plan and amended in the Transportation 2030 Plan (pending). In Marin County, this includes the proposed potential commuter rail corridor.

⁴ Housing developments must meet or exceed the current zoning requirements to receive HIP funding; TAM will not fund Housing developments that involve downzoning.

5. Affordable Housing Bonus—If bonus for affordable housing is requested, Housing developments must identify number of units and level of affordability. For purposes of this program, TAM defines affordable bedrooms as bedrooms located in a housing unit with a monthly cost of no more than 30 percent of a low-income household's gross monthly income, adjusted for family size. Area median income and affordable income limits for extremely low, very low, and lower income households by family size are based on the figures released annually for every county and Metropolitan Statistical Area (MSA) by the U.S. Department of Housing and Urban Development (HUD).



Part 3: Basic Eligibility Criteria for the Local HIP Capital Transportation Improvement

All basic eligibility criteria below must be met before a project can be reviewed according to the evaluation criteria. Briefly describe how the project satisfies, or will satisfy, each criterion. Following grant approval, the project sponsor will submit a governing board-approved resolution acknowledging and committing to meeting the requirements described below.

1. The project sponsor understands and agrees to the MTC project delivery requirements as described in MTC Resolution 3606.
2. Is the project fully funded with Local HIP Capital funds and other funds that are in control of the local government agency and assigned to the project? Is the project dependent upon other funding yet to be secured? Provide a project budget showing all funding amounts and fund sources secured for the project, and describe how any funding shortfalls will be covered.
3. Is the project dependent upon another uncompleted major capital project?
4. What type of environmental document required by CEQA and NEPA will be (has been) prepared, and when would it be (was it) certified? What environmental issues may require more detailed study?
5. Is the project entirely within the local agency's right-of-way? Are any new right-of-way, permits or easements needed, and when would it be acquired (from non-Local HIP sources) if needed?
6. Is there a utility relocation phase within the project area but implemented separately from the project?
7. Have all affected departments within the local government agency, transit agency, and/or other public agency (1) been involved in the development of the project and (2) reviewed the project to ensure project feasibility?
8. Is the project difficult to engineer (or has engineering been completed)?
9. Is there significant local opposition that may prevent the project from meeting the funding obligation deadline?
10. Are there any pending lawsuits related to the project?

Local HIP Capital Project Application Process

The Local HIP Capital Project application process consists of four steps:

Step 1: TAM issues a "Call For Projects" every three years. Applications are accepted on a continuous basis throughout the three-year period.

Step 2: Applicants submit a project proposal to TAM for funding consideration. The project proposal should include the amount of Local HIP funds requested, amount and source of local match and other funds committed to the project, brief description of sponsor and study partner(s), detailed description of the specific capital improvements to be funded by Local HIP, how project fulfills evaluation criteria shown above, project finance plan for preliminary engineering, right-of-way and construction phases, project schedule for preliminary engineering, right-of-way and construction phases, and project area map and photos.

Step 3: TAM staff evaluates project proposals and may choose to coordinate with other departments. Projects meeting all criteria will be recommended to the TAM Board for a Local HIP Capital Project grant.

Step 4: Following TAM Board approval, grant recipients will submit to TAM a local council-approved resolution demonstrating commitment to fund and build the project and attend a workshop on project implementation and the federal-aid process. Grant recipients will be required to take the project through the federal-aid process with Caltrans Local Assistance and comply with MTC's project review process. Funds returned to TAM for any reason will be reprogrammed according to TAM Board policy.

Local TLC Capital Grant Program

Description

The Local TLC Capital Program funds transportation infrastructure improvements to pedestrian, bicycle and transit facilities. The key objectives of this program are to encourage pedestrian, bicycle and transit trips; support a community's larger infill development or revitalization efforts; and provide for a wider range of transportation choices, improved internal mobility, and stronger sense of place. Typical capital projects include new or improved pedestrian facilities, bicycle facilities, transit access improvements, pedestrian plazas, and streetscapes. Funds can be used for preliminary engineering (design and environmental), right-of-way acquisition, and/or construction.

Who Can Apply?

Local TLC Capital Program grants are awarded on a competitive basis. Local governments, transit operators, and other public agencies are eligible recipients of the federal funds. Community-based organizations and nonprofits may be co-partners but cannot receive the funds.

How Much Funding is Available?

Funding may be available at the end of each 3 year-cycle, depending upon the amount awarded to priority HIP projects each cycle. Capital Program grant amounts range from \$150,000 to \$500,000. At the end of a cycle, a selection committee will award remaining funds to the most competitive Capital Program project applications. The first Local TLC Capital Program Call For Projects may take place in September 2007, and the Call For Projects will be dependant on the amount of funds remaining.

A local match of 11.47 percent of the total Local TLC Capital project cost is required. Grant recipients will be required to take the capital project through the federal-aid process with Caltrans Local Assistance, and obligate, or commit, the federal funds by the obligation deadline specified by TAM. In addition, grant recipients will be required to attend a training workshop on project implementation and the federal-aid process. Most projects will be funded with Transportation Enhancement funds.

Eligible Projects

Projects must be located within a public right-of-way or other publicly held land with public access such as a transit center. Project activities eligible for funding include bicycle and pedestrian paths and bridges; on-street bike lanes; pedestrian plazas; pedestrian street crossings; streetscape enhancements such as median landscaping and pedestrian refuges, street trees, lighting, and furniture; traffic calming design features such as pedestrian bulb-outs or transit bulbs; transit stop amenities; way-finding signage; and gateway features.

Local TLC Capital Program Evaluation Process

TAM will conduct an eligibility evaluation of all Local TLC Capital Program projects based on three types of criteria:

Part 1: Local TLC Capital Project Readiness Criteria

These criteria will be used to evaluate whether a project will be able to meet the fund obligation deadline. The projects must secure a federal authorization to proceed with construction by the obligation deadline set by TAM.

1. Collaborative planning process involving the local government agency, community stakeholders, transit district(s), and others affected by the project.

2. Is the project fully funded with Local TLC Capital funds and other funds that are in control of the local government agency and assigned to the project?
3. Is the project dependent upon another uncompleted major capital project?
4. What type of environmental document required by CEQA and NEPA will be (has been) prepared, and when would it be (was it) certified? What environmental issues may require more detailed study?
5. Is the project entirely within the local agency's right-of-way? Are any new right-of-way, permits or easements needed, and when would it be acquired (from non-Local TLC sources) if needed?
6. Is there a utility relocation phase within the project area but implemented separately from the project?
7. Have all affected departments within the local government agency, transit agency, and/or other public agency (1) been involved in the development of the project and (2) reviewed the project to ensure project feasibility?
8. Is the project difficult to engineer (or has engineering been completed)?
9. Is there significant local opposition that may prevent the project from meeting the funding obligation deadline?
10. Are there any pending lawsuits related to the project?

Part 2: Local TLC Capital Basic Eligibility Criteria

All basic eligibility criteria below must be met before a project can be reviewed according to the evaluation criteria under Part 3. Briefly describe how the project satisfies, or will satisfy, each criterion. Following grant approval, the project sponsor will submit a governing board-approved resolution acknowledging and committing to meeting the requirements described below.

1. The funding request is \$150,000 to \$500,000.
2. The project sponsor assures that a local match of at least 11.47 percent of the total project cost will be available.
3. The project sponsor agrees to abide by all applicable regulations, including the National Environmental Policy Act (NEPA), California Environmental Quality Act (CEQA), and the American with Disabilities Act (ADA).
4. The project is well defined and results in a usable segment. The MTC definition of "usable segment" is applied, meaning a section of public improvements that has defined start and end points and allows continuous travel from the start point to the end point.
5. The project sponsor understands and agrees to the MTC project delivery requirements as described below and in MTC Resolution 3606.
6. Federal funds through the Local TLC Capital Program are fixed at the programmed amount, and therefore any cost increase would not be funded through TAM.

7. Projects are to be designed and built consistent with the project description contained in the grant application.
8. A field review with Caltrans Local Assistance will be completed within six (6) months of grant approval.
9. The appropriate NEPA document for the project will be certified through the office of Caltrans Local Assistance within twelve (12) months of grant approval.
10. The project design drawings will be submitted to TAM staff for review and comment at various design stages, typically 30%, 60%, 90%, and 100% submittals to ensure the design is consistent with the original grant application.
11. As with the regional program, completed Plans, Specifications, and Estimates (PS&E) package will be submitted to MTC and Caltrans Local Assistance by no later than April 1 in the year of regional obligation deadline.
12. Federal funds will be obligated by the fund obligation deadline established by MTC for this grant cycle.
13. The “before” and “after” photos of the project will be sent to TAM staff for use in publications, press releases, reports, etc. about the Local TLC Capital program.
14. TAM staff will be notified immediately to discuss potential project implications that will affect the delivery of the project.
15. The project sponsor commits to maintaining the project.
16. The project will be consistent with TAM’s TOD/PeD (Transit-Oriented Design/Pedestrian-Oriented Design) Guidelines.

TAM reserves the right to rescind the Local TLC Capital funds in full should any of the above requirements not be fulfilled by the project sponsor, and reprogram the Local TLC Capital funds as necessary.

Part 3: Local TLC Capital Evaluation Criteria

If a project meets all the screening factors identified in Parts 1 and 2 above, it is evaluated according to the criteria shown below. For each category, a project will be assigned a “high,” “medium,” or “low” rating. Funding priority is based on the degree to which the project meets these criteria. Project review, ranking and prioritizing is an inherently subjective process. This is especially true when thinking about design, community involvement, etc. It also allows for discussion and negotiation between project reviewers. Other methods might include numeric scores or incorporate other weighting factors to preferred goal areas. The project impact will be weighted to meet Marin’s priority need for affordable housing.

1. Local TLC Capital Program Goals

- a. Project addresses one or more Local TLC Capital program goals, and demonstrates how well the goals are met.

2. Community Involvement

- a. Project resulted from an inclusive and collaborative planning process with community stakeholders, including low-income, minority community representatives (if applicable), as demonstrated by new or strengthened project partnerships, outreach efforts to a diversity of participants, and innovative planning techniques used to solicit public input.
- b. A planning document (such as a transportation-land use plan, urban design/landscape concept plan, design development plan, specific plan, general plan, etc.) from which the project was derived, or a conceptual design illustrating the project, has been prepared and made available to the public for review and comment.
- c. Project is supported by the local agency (including planning, public works, engineering, traffic, and/or redevelopment departments/ agencies), transit operator(s), and community stakeholders who are affected by the project.

3. Project Impact

The project remedies a current or anticipated problem, and will result in one or more of the following community benefits:

- a. *Transportation Choices*: project provides for a range of transportation options to access jobs, shopping, recreation and other daily needs
- b. *Pedestrian and Bicycle Access*: project improves direct pedestrian or bicycle access to the downtown, commercial core, neighborhood, or transit stop/corridor
- c. *Transit Access*: project improves transit accessibility to a major activity center
- d. *Safety and Security*: project reduces the number of pedestrian/bicycle injuries and fatalities, and addresses safety and security concerns around transit facilities
- e. *Street Design*: project promotes good street design to encourage pedestrian, bicycle and transit trips such as narrow traffic lanes, wide sidewalks, marked crosswalks, landscape buffers, pedestrian refuges in medians, etc.; promotes safe road-sharing between bicycles and vehicles; and complies with the American with Disabilities Act and applicable street design standards
- f. *Traffic Calming*: project reduces driving speeds to facilitate safe pedestrian, bicycle, and vehicle travel and street crossings
- g. *Streetscape Design*: project creates pedestrian, bicycle and transit friendly environments through street trees, landscape buffers, pedestrian-scaled lighting, wide sidewalks, etc.
- h. *Community Design*: project enhances the look and feel of the community and fosters a strong sense of place through upgrades to the physical environment and cohesive designs of streets, buildings, and public spaces
- i. *Air Quality*: project improves mobility via walking, biking, or taking transit, and thus reduces vehicle trips and improves air quality
- j. *Economic Development*: project acts as a catalyst to generate local economic development opportunities, particularly within disadvantaged communities
- k. *Safe Routes and Access to Schools*: project addresses safety and security concerns around schools

4. Land Use Links

- a. Project supports channeling new growth to areas of the county with established infrastructure and existing residential development, employment centers, and other major activity centers such as downtowns, retail and cultural facilities.
- b. Project is located in a project area that is currently zoned, or will be rezoned, to support the development of a diverse mix of housing (particularly high-density, affordable, and/or mixed-income developments), retail, commercial, or office uses.
- c. Project is located in a project area where major transit infrastructure exists or is planned to serve the land use developments.
- d. Project directs investment to a traditionally low-income community, as demonstrated by Census data on income and/or poverty level compared to the city or county as a whole.

Local TLC Capital Program Application Process

The Local TLC Capital Program application process consists of five steps:

Step 1: TAM issues a “Call For Projects” every three years.

Step 2: Applicants submit a project proposal to TAM for funding consideration. The project proposal should include amount of Local TLC Capital funds requested, amount and source of local match, brief description of sponsor and study partner(s), detailed description of the specific capital improvements to be funded by the Local TLC, how project fulfills evaluation criteria shown above, project finance plan for preliminary engineering, right-of-way and construction phases, project schedule for preliminary engineering, right-of-way and construction phases, and project area map and photos.

Step 3: TAM staff evaluates project proposals.

Step 4: Based on the recommendations of TAM staff, and funding availability of the overall program, TAM Executive Director will make a funding recommendation to the TAM Board for the three-year funding cycle.

Step 5: Following the Board’s approval, grant recipients will submit to TAM a local council-approved resolution demonstrating commitment to fund and build the project and attend a workshop on project implementation and the federal-aid process. Grant recipients will be required to take the capital project through the federal-aid process with Caltrans Local Assistance and comply with MTC’s project review process. Funds returned to TAM for any reason will be reprogrammed according to TAM Board policy.